

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 98-565

October 4, 2000

PUBLIC UTILITIES COMMISSION,
Comprehensive Plan, Implementation
Of Electricity Retail Choice
Consumer Education Program

ORDER APPROVING
PROGRAM EXTENSION

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

In this Order, we extend the Electricity Retail Access Consumer Education Program to permit the possible future use of program funding for additional educational activities when the evolution of the retail market and other factors indicate it is in the interest of ratepayers.

II. BACKGROUND

The Maine Legislature decided that all Maine electricity consumers would have the right to purchase electricity supply from competitive providers beginning in March 2000, and that consumers should be educated about these changes with a consumer education program implemented by the Commission. 35-A M.R.S.A., §§ 3202, 3213.

The Consumer Education Rule states that the program duration is through September 2000, and that "[t]he Commission may extend the program upon a finding that continuation of the ... program is in the public interest." Chapter 302, § 5(E). On September 18, 2000, the PUC Electricity Retail Choice Consumer Education Advisory Panel (Panel)¹ recommended that we extend the program, and concluded that program extension is in the public interest.

III. DISCUSSION

¹ The Electricity Retail Choice Consumer Education Advisory Panel (Panel), created pursuant to Legislative directive and Chapter 302, is a broad-based group with representatives from the electricity industry, residential consumers, low income and elderly consumers, small commercial consumers, municipal consumers, and the Office of the Public Advocate. The Panel provides feedback on proposed plans and is an important source of public input during plan development and implementation.

To extend the education program, we must find that program extension is in the public interest. Chapter 302, § 5(E). The Comprehensive Plan we approved in July 1999 contemplated the need to extend the program beyond September 2000. The Comprehensive Plan stated: "In late 1999, NL Partners [our communication contractor for this project] with input from the PUC will review the Comprehensive Plan to ensure that the pace of implementation of the consumer education program (CEP) is commensurate with the pace of development of the competitive marketplace. If necessary, the PUC may decide to adjust the speed of implementation of some components of the campaign to ensure maximum consumer benefit for the available resources." Comprehensive Plan, at 4.

As of March 2000, few competitive retail suppliers had entered the market, and no competitive suppliers had entered the market for residential and small business consumers. As a result, we significantly scaled back our advertising and many other components of the program to preserve resources for when the retail market was more fully developed. As a result, \$400,000 of the authorized program funding of \$1,600,000 remains unspent.

The Panel now recommends that we extend the program to allow for future educational activities as competitive options become available to consumers. The Panel recommends that the Commission consider, as the retail market develops over the next several years, using remaining program funding for such activities as additional advertising, media relations, newsletters, updates to the website and brochures. The Panel believes that once competitive options are available to most residential and small commercial consumers, supplementary education may be necessary to remind consumers about their options in a competitive market, consumer protections, how they can get additional information on the retail market, and other important information.

Recent survey results also suggest that future educational activities may be appropriate because, with the passage of time, consumer awareness of retail access appears to be declining. Survey results from the spring of 2000 indicated consumer awareness of retail choice of between 69%² and 73%,³ but a survey this month found only 60% awareness.⁴

We will extend the program based on this evidence and the Panel's conclusion that program extension is in the public interest. We approve the extension to allow for future use of education program funds for additional education about retail choice as the competitive market develops in Maine over the next several years.

We authorize program extension for two years. At that point, if funds remain, we will review the pace of development of the retail market and the need for further

² Report to Public Utilities Commission on Proprietary SMS Omnibus Poll Results, April 2000.

³ PUC Public Survey: Report of Findings, Wave III, May 2000.

⁴ Strategic Marketing Services, September Omnibus Poll Results, Sept. 21, 2000, p. 3.

educational steps. We may choose again to extend the program, or if there is no apparent continued need, we will return any remaining funds to the assessed transmission and distribution utilities.

We appreciate the Panel's willingness to reconvene to refine the plans for future educational activities, when and if it appears that future activity is necessary.

IV. CONCLUSION.

We approve the program extension recommended by the Panel, to allow for future use of the balance of education program funding for additional education on retail access.

Accordingly, we

O R D E R

1. That the consumer education program is extended until six months after the end of Standard Offer service;
2. That a copy of this Order be sent to the Consumer Education Advisory Panel;
3. That a copy of this Order be sent to the service list for this docket, and all Maine electric transmission and distribution utilities; and
4. That this Order be posted on our website, <http://www.state.me.us/mpuc>

Dated at Augusta, Maine this 4th day of October, 2000.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
Diamond

COMMISSIONER ABSENT: Nugent

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. §1320(1) - (4) and the Maine Rules of Civil Procedure, Rule 73 et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.